World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
Washington, D.C. 20250

Weekly Roundup
WR 3-86
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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

OILSEEDS AND PRODUCTS

Taiwan Liberalizes Oilseed Trade. Taiwan plans to liberalize the process of purchasing bulk commodities with the aim of having free trade by mid-1987, according to the U.S. agricultural officer in Taipei. The first step, effective Jan. 1, 1986, allows each mill to surpass its approved soybean import quota by 20 percent. Taiwan's soybean import quota in 1985, based on last year's actual imports, is estimated to be 1.4 million metric tons. The agricultural officer has increased his 1985/86 import forecast to 1.5 million tons from 1.4 million. Most of Taiwan's soybean imports are expected to come from the United States.

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Egypt May Import Chinese Soybean Meal. Trade sources report that there is a possibility that Egypt may import soybean meal from China, according to the U.S. agricultural counselor in Cairo. A trade protocol agreement that limited trade between China and Egypt on a government-to-government basis has recently expired. All soybean meal is imported into Egypt by the private sector. USDA forecasts Egyptian 1985/86 soybean meal imports at 250,000 tons. Presently, most Egyptian soybean meal imports come from the United States.

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Record Hungarian Sunflowerseed Oil Exports Forecast for 1985/86. The U.S. agricultural counselor in Vienna forecasts Hungary's 1985/86 sunflowerseed oil exports at a record 200,000 tons. Hungary's traditional sunflowerseed oil markets are the USSR, Egypt, Austria, Switzerland and Algeria. The USSR is the world's second largest vegetable oil importer. Egypt is an important market for U.S. vegetable oil, with U.S. exports of vegetable oil to Egypt valued at $47.3 million in fiscal 1985.

DAIRY, LIVESTOCK AND POULTRY

Peru Has Shortage of Poultry Meat. A shortage of poultry meat developed in Peru during November and December 1985, according to the U.S. agricultural attache in Lima. The causes of the shortage include government-imposed price controls (which increased demand but gave little incentive to expand production) and short supplies of beef and fish that further augmented demand for poultry meat.

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As a result of the poultry meat shortage, the government has reduced import duties for corn and soybean meal, which will cut production costs for poultry meat, and has indefinitely suspended poultry meat exports to the USSR under the debt repayment agreement. In addition, the state food importing agency has been authorized to import other meats to compensate for the shortage of poultry meat.

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Korea Announces Continued Ban on Beef Imports in 1986. In an attempt to raise domestic cattle prices, Korea has announced new measures, including the continued suspension of all beef imports through 1986 and a greater effort to export beef and cattle to Japan. Before Korean beef imports were suspended in 1985, the United States exported beef valued at $6.4 million; exports to Korea were valued at $8.0 million in 1984. Korean sources indicate that 5 tons of beef were exported to Japan during November 1985, but Japanese sources deny that the trade took place. The export of about 2,000 head of cattle for slaughter is under negotiation with Japan for delivery this spring, but price remains a barrier to closing the deal.

TOBACCO

Aegean Growers' Tobacco Market Opens in Turkey. The Aegean Growers' Tobacco Market for the 1985 crop year opened January 6 in Turkey, one month earlier than last year, and the earliest since 1962. Quality of the 1985 crop is reported to be above average. More than two-thirds of the 1985 crop has already been booked by private exporters before the official opening. Despite the strong demand for the 1985 crop, Turkish Tobacco Monopoly stocks are excessive. Currently, the Monopoly's holdings total 312,444 tons, while only 180,000 to 200,000 tons are adequate to meet domestic and export needs. Changes in pricing policy resulted in a decline in planted area to 193,716 hectares from 215,283 hectares in 1984. Output was reduced from 194,941 tons to 175,697 in 1985. Domestic cigarette quality and supply have improved recently. Also, the government has stated its intentions to permit cigarette imports.

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Indian Tobacco Exports Drop. During the first nine months of 1985, Indian exports of unmanufactured tobacco were 56,409 tons, compared to 66,306 during the same period in 1984. Except for Eastern bloc countries, exports to nearly all other destinations have declined because of heightened competition. Trade to the United Kingdom, traditionally India's second largest tobacco buyer after the Soviet Union, was off by a third from 12,651 tons in January-September 1984 to 8,831 for the same period in 1985.

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FRUITS

Southern Hemisphere Output of Deciduous Fruits and Grapes To Dip. Southern Hemisphere production of deciduous fruits and table grapes during the 1986 season is forecast at 3,943,400 tons, 9 percent below the 4.3 million tons harvested last season. Crop prospects appear excellent for all countries except Argentina, where the major fruit producing provinces sustained varying degrees of frost, wind and hail damage at the crucial fruit-setting stage. Deciduous production in Argentina is currently estimated at only 895,000 tons, 38 percent below the 1,443,400 tons harvested last season. A 20-percent decline is projected for table grapes.

Although the 1986 season is an off-year in the alternate bearing pattern for Australian pome fruits, production is expected to exceed the average volume normally harvested in an off-year. Apple and pear yields have been trending upward during both the on and off years primarily due to improvements in cultivation techniques. Stone fruit production is expected to surpass the 1985 volume despite short crops of plums and prunes, and a "no-growth" season for cherries. Of all the deciduous fruits Australia produces, cherries have the greatest potential for expansion. Over the past few years, growers have revitalized and restructured the industry through the use of high-density cropping, extensive irrigation, higher yielding varieties and active market development.

Chile's deciduous fruit and table grape production is forecast at a record 1.13 million tons, 15 percent above the 1985 season. Although production gains are expected for all fruits, most of the overall growth will again result from substantially larger crops of apples and table grapes. As in previous years, the increase reflects new areas entering the bearing stage and young orchards and vines exhibiting increased productivity as they reach commercial yield levels.

Crop prospects appear excellent in New Zealand, where deciduous production is expected to reach 370,900 tons, 9 percent above the 1985 harvest. Record crops are forecast for apples, apricots and nectarines. The implementation of a new cropping system has significantly improved yields and reduced spraying, pruning and picking costs. Intensive planting--utilizing new, higher yielding varieties--is expected to spur further growth over the next several years.

South Africa's 1986 harvest of deciduous fruits and table grapes is estimated at 892,200 tons, up 4 percent from last season. Initial crop prospects for apricots, peaches and table grapes were dampened by rain and hailstorms. However, current assessments indicate output of these fruits will still surpass the 1985 levels. Production increases are projected for all fruit types over the next several years given the sizable land area--with suitable soil and climatic conditions--available for intensive fruit cultivation.

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Southern Hemisphere Deciduous Fruit & Table Grape Production 1/
(1,000 metric tons)

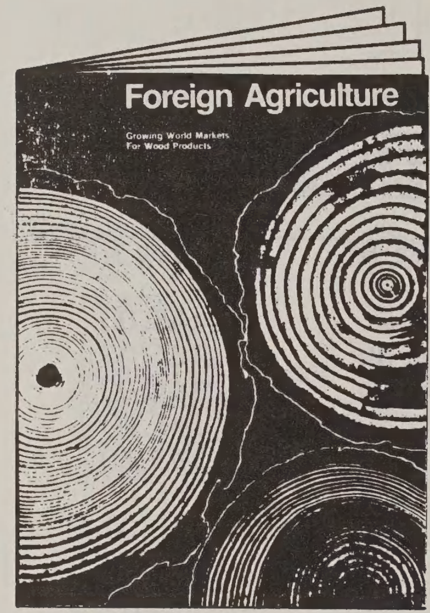
	1984	1985	1986 2/
Argentina			
Apples	872.0	942.8	600.0
Pears	167.0	145.4	70.0
Apricots	28.6	27.0	15.0
Cherries (sweet & sour)	--	--	--
Peaches & nectarines	241.0	270.0	180.0
Plums & prunes	52.9	58.2	30.0
Table grapes	91.0	100.0	80.0
Australia			
Apples	267.0	340.0	320.0
Pears	122.0	144.0	137.0
Apricots	23.6	24.0	26.0
Cherries (sweet & sour)	3.5	5.5	5.5
Peaches & nectarines	53.5	64.0	67.0
Plums & prunes	20.0	21.0	19.8
Table grapes	--	--	--
Chile			
Apples	410.0	420.0	480.0
Pears	56.0	60.0	66.0
Apricots	13.5	14.0	15.0
Cherries (sweet & sour)	7.5	8.5	9.0
Peaches & nectarines	145.0	155.0	165.0
Plums & prunes	28.0	37.0	45.0
Table grapes	230.0	290.0	350.0
New Zealand			
Apples	255.7	285.0	311.0
Pears	13.2	12.7	13.2
Apricots	8.0	9.4	10.5
Cherries (sweet & sour)	--	--	--
Peaches & nectarines	27.3	28.6	31.8
Plums & prunes	4.1	4.3	4.4
Table grapes	--	--	--
South Africa			
Apples	504.3	472.6	488.3
Pears	128.4	152.8	151.8
Apricots	40.6	24.3	26.6
Cherries (sweet & sour)	--	--	--
Peaches & nectarines	133.3	126.4	135.5
Plums & prunes	14.8	12.1	14.1
Table grapes	72.0	74.1	75.9
Total Southern Hemisphere	4,033.8	4,328.7	3,943.4

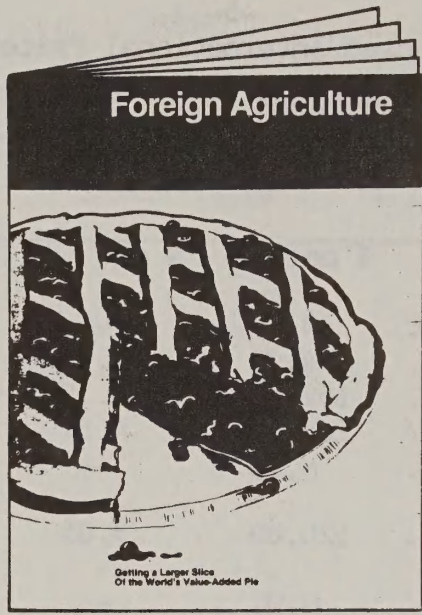
1/ Apples and pears actually crop years 1983/84, 1984/85 and 1985/86. Stone fruits and table grapes are calendar years 1984, 1985 and 1986. 2/ Forecast.
-- Indicates production negligible or data unavailable.

Selected International Prices

Item	Jan. 21, 1986		Change from 12/17/85	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	188.00
U.S. No. 2 DNS/NS: 14%....	174.00	4.74	-4.00	183.00
U.S. No. 2 S.R.W.	152.50	4.15	-9.00	165.00
U.S. No. 3 H.A.D........9/	168.00	4.57	0	183.00
Canadian No. 1 A: Durum...	N.Q.	--	--	193.50
Feed grains:				
U.S. No. 3 Yellow Corn....	120.00	3.05	-.50	137.00
Soybeans and meal:				
U.S. No. 2 Yellow........	N.Q.	--	--	249.00
Brazil 47/48% SoyaPellets	209.00	--	+.50	183.00
U.S. 44% Soybean Meal....	185.00	--	+.50	169.00
U.S. FARM PRICES 3/				
Wheat.....................	112.42	3.06	-1.84	124.55
Barley....................	75.78	1.65	0	84.51
Corn......................	89.37	2.27	-.39	121.26
Sorghum...................	77.82	3.83 2/	-1.54	92.59
Broilers..................	1160.28	--	+1.98	1164.69
EC IMPORT LEVIES				
Wheat 5/..................	122.90	3.34	+.95	41.90
Barley....................	115.95	2.52	+.05	53.65
Corn......................	98.10	2.49	-.25	43.15
Sorghum...................	108.45	2.75	+.70	47.95
Broilers 4/ 6/ 8/.........	245.00	--	0	154.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	172.00	4.68	+.10	138.70
Bread wheat (min. quality)	183.05	4.98	+.05	147.65
Barley and all other feed grains.......	172.00	--	+.10	138.70
Broilers 4/ 6/...........	N.Q.	--	--	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	--	--	14.65
Barley....................	N.A.	--	--	27.90
Broilers 4/ 6/ 8/.........	159.00	--	0	91.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis February delivery.





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